GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:690
ANSWERED ON:09.05.2003
ANTI-DUMPING DUTY ON BED LINEN
ASHOK NAMDEORAO MOHOL;T.M. SELVAGANAPATHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether there was a dispute with the European Union regarding imposition of anti-dumping duty on bed linen importers;

(b) if so, the facts thereof;

(c) the present status of the disputes; and

(d) the steps taken by the Government to take up the issue with WTO`s Dispute Settlement Body?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 690 TO ANSWERED ON 9th MAY 2003

India had resorted to the Dispute Settlement Mechanism of the World Trade Organisation (WTO) and challenged the anti- dumping duty imposed by European Communities (EC) in December 1997 on imports of cotton-type bed linen from India. The Panel and Appellate Body Reports concluded that the EC`s imposition of definitive anti-dumping duties on imports of cotton-type bed linen from India had been inconsistent with the Anti-Dumping Agreement. On 12 March 2001 the Dispute Settlement Body (DSB) of the WTO adopted the Appellate Body Report and the Panel Report as modified by the Appellate Body, in this dispute.Pursuant to the recommendations of these Reports, the DSB requested the EC to bring its measure into conformity with its obligations under the Anti-Dumping Agreement. Following this the EC and India mutually agreed on a reasonable period of five months and two days i.e. up to 14 August 2001 for EC to implement the recommendations and rulings of the DSB in this dispute.

Subsequently the EC undertook a review of the anti-dumping measure and re-determined the level of anti-dumping duty. However, the application of the duty was suspended. India strongly disagreed that this re-determination complied with the rulings of the DSB.

India requested consultations with EC on 8 March 2002 under the Dispute Settlement Mechanism of the WTO regarding re-determination. These consultations were held at Geneva on 25-26 March 2002. Subsequently, India sought the establishment of a Compliance Panel to examine the existence or consistency of action taken by EC to implement the DSB decision in the dispute. The Compliance Panel was established on 22 May 2002.

The Compliance Panel concluded that EC had implemented the recommendations of the original Panel and Appellate Body to bring its measures into conformity with the Anti-Dumping Agreement. On 8 January 2003 India appealed some of the findings and legal interpretations developed by the Compliance Panel in this case.

While reversing certain findings of the Compliance Panel, the Appellate Body in its Report dated 8 April 2003has concluded that in analysing injury EC`s determination thatall imports attributable to non-examined producers were dumped-even though the evidence from examined producers showed that producers accounting for 53 percent of imports attributed to examined producers were not dumping-did not lead to a result that was unbiased, even-handed, and fair. Therefore, EC did not satisfy the requirements of paragraphs 1 and 2 of Article 3 of the Anti-Dumping Agreement to determine the volume of dumped imports on the basis of an examination that is `objective`. The Appellate Body recommended that DSB request EC to bring its measure, found to be inconsistent with its obligations under the Anti-Dumping Agreement, into conformity with that Agreement.

During its meeting held on 24 April 2003, the DSB of the WTO adopted the Compliance Panel and Appellate Body Reports in the Compliance dispute. During the meeting, EC indicated its intention to implement the Appellate Body findings as soon as possible after the adoption of Compliance Panel and Appellate Body Reports in the Compliance dispute.